

KNOWLEDGE ECONOMY MANAGEMENT PRACTICES AS A KEY FACTOR FOR ORGANISATIONAL DEVELOPMENT: THE CASE OF FAMILY AND CHILDREN INTEGRATED DEVELOPMENT FOUNDATION (FCIDF) IN ETHIOPIA

Dr. Melese Mekasha Woldeyes (PhD)

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ABSTRACT

Knowledge economy management creates major benefits for human resource development (HRD), in many organisations around the world. The purpose of this paper is to identify some of the advantages for further HR Development operations. The paper takes the form of case study review to contribute to the ongoing debate around HRMD's role and tasks, related to the emerging knowledge economy around the Globe. The study was demarcated to one Local NGO named: Family and children Integrated development foundation (FCIDF) as case study in Ethiopia. Having set, the organisational process of FCIDF- HRD, in the context of a knowledge economy and of macro-level socio-economic policy in the country. We explore ideas of strategy, structure and knowledge economy and their implications for those with HRD responsibilities in various organisations.

To this end, this study uses the FCIDF Human resource Development practices as a case study to explore the role of quality and qualified HR creating access to knowledge economic development in Ethiopia, as a good practices. The investigation further, took the research question "How can the FCIDF promote and enhance growth and development of quality HRD program in different parts of the country?" In order to address such diverse knowledge economic development and HRD issues for its target groups. The investigation showed that, the FCIDF had made proper strategy and structure to address the felt needs of the partner communities in line with the national policy priorities complying with donor interests and cultural practices of each targeted communities. The study employed qualitative research approach and two instruments were used to gather relevant data, namely: interviews and document analysis.

Theoretical framework developed through four key elements: Social capital, human resource development; knowledge economy and knowledgeable workers.

It conclude that, in organisations like FCIDF, In order to address such diverse quality HRD issues, and knowledge economy function, operating in those valuable stated above elements , it is vital to develop social capital as well as individual human competence. HRD professionals need to acquire a deep understanding of internal organisational context as well as of the internal and external business environment, and work in business partnerships within their organisations embraced all its stakeholders or partners at local and national levels.

Keywords: Knowledge management, human resource management & development; knowledge economy; quality productivity; knowledgeable workers; lifelong learning; competencies; Social capital, effect.

1. INTRODUCTION

It is the purpose of this paper to identify and explore the major implications of a knowledge economy and HRD for those who have core responsibilities for learning and development of people in organisations. At this point, therefore, it is relevant to introduce the concept of HRD as an organisational process. HRD is in reality primarily about training and development of human enterprise, and we argue that HRD comprises far more than that. This study was established to one Local NGO named: Family and children integrated development foundation (FCIDF) HRD practices as case study in Ethiopia. As far as the level of educational development is taken as a measure of HRD, problems and issues facing educational development are issues of HRD too. The basic problems facing HRD in Ethiopia are its low level of development -- both quantitative and qualitative of manpower development in many sectors. However, this time around further developments are taking places.

Having set the organisational process of FCIDF- HRD, in the context of a knowledge economy and of macro-level socio-economic policy in the country. HR development has emerged as a strategy to enhance the capacity of existing employees in organizations to perform their duties efficiently. Human resource development (HRD) practices apply to various types of organizations within the business sector that use HRD to initiate and manipulate exchanges that include knowledge sharing, skill development, information transfer, collaboration, feedback, or mentorship. A framework for increasing human capital inside an organization by developing the enterprise and its employees to enhancement performance is known as human resource development. Through planned learning activities, human resource development practices create essential competencies that people in companies need to accomplish their present and future roles (*Mishra K.A. (2012)*).

Research provides evidence that; however they are titled, HRD and Management functions tend to be inattentive with learning inputs, with the improvement of individual performance and with training-ruled activity (Bournois, Chauchat and Roussillon, 1994; Larsen, 1994; Ashton, Sung, Raddon and Powell, 2001). Our definition supposes that if the HRD and management process is to add critical value in a knowledge economy, then there is a need for a fundamental shift from this concern with immediate performance improvement to a strong focus on lifelong learning and work-based learning strategies. In a knowledge economy HRD professionals need to turn their attention to learning processes that can produce and distribute knowledge to enhance the organisation's capability to continuously improve and to radically innovate. Effective organizations have employees who are committed and make contributions to organizational success. Therefore, the focus of HRD activity needs to be on learning outcomes and on making an organisational contribution (Stevens, 2001).

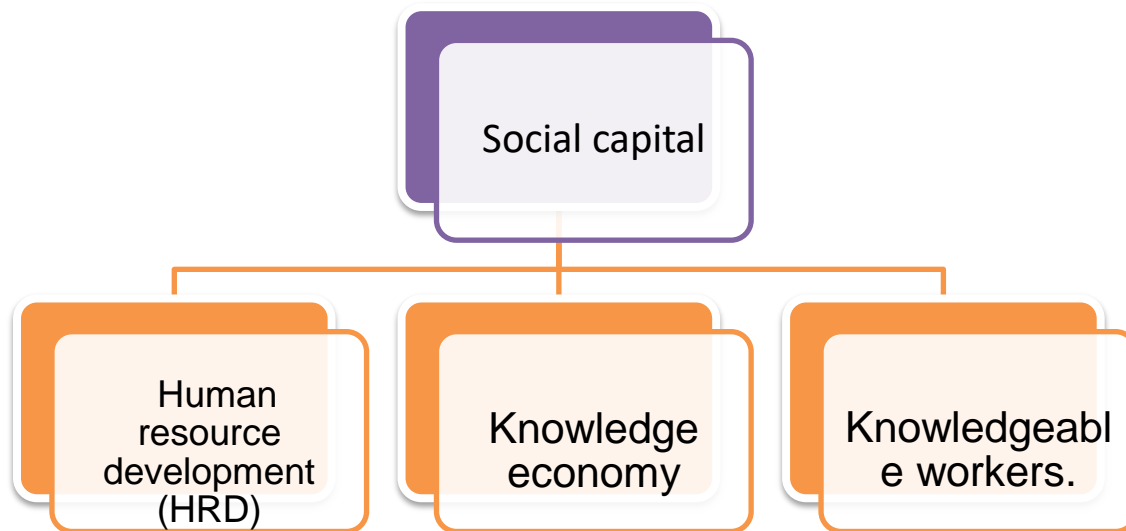
2. METHODOLOGY

A qualitative research design was used in this study, in particular, a case study was employed. Stratified and purposive sampling techniques were used to select the research site and potential respondents. The study was delimited to one Local NGO named: Family and children Integrated development foundation (FCIDF) in Ethiopia. FCIDF was selected as a case study because it is one of the best new reconstructed non-profit organizations pursuant to the enactment of HRD and knowledge economy of the country.

To study, as one of the leading and promising local NGO in Ethiopia, by considering what it offers mainly in urban and rural settings, mainly managing water and sanitation program by developing quality HR, to alleviate the low level HR performance in the country. It focuses mainly on rural water and sanitation development based on the fact that, a majority of the Ethiopian population (85%) is engaged in agricultural work and lives in rural areas, Wolde, (2010), the result of water and sanitation programme that has a focus on rural development will have some relevance in this context, especially in meeting the human development needs of the communities, especially for women and girls in different parts of the country.

A total of 15 participants were purposively selected from those who already involved in water and sanitation programs including communities' agents and interviewed. The participants interviewed were in different ways expressed their views and confirmed that, the FCIDF's positively contributing and providing quality services to its concerned and targeted communities, due to its quality and qualified employees working hard at different places. This study is further guided by theoretical framework provided in **Figure 1**.

2.1. Figure1: Theoretical framework



The interrelated conceptual framework above indicates that, bringing about the quality social capitals in the country, the Human Resources Development function and the knowledge economy should obtained the higher priorities in every organizations. Our definition reflects a perspective on HRD that is in harmony with the current macro-level policy emphasis on lifelong learning and

development. One of the main tasks of public funded education is to invest in the development of a high level workforce.

3. LITERATURE REVIEW

In knowledge economy, co-operation and trust help to form the basis for networks in which the exchange of relevant information and collaborative approaches to generate a good working practices and new knowledge. In a knowledge economy the encouragement of education, training and development is no longer the exclusive role of government (Psarras, 2006). Firms, institutions and voluntary organisations have an equally important part to play in ensuring HRD learning opportunities for their members. Human Resource Development in a Knowledge Economy provides a critical approach to the study of human resource and emphasizes the need for its effective integration with human resource management, as well as with the strategic management of the organization. With special reference to workers in the 'knowledge economy' Human Resource Development in a Knowledge Economy lures readers through a stimulating reflection of human resource development's past and current organizational role and impact, analysing the role human resource development can play in an increasingly knowledge-based environment(**Rosemary Harrison and Joseph Kessels,2003**).

In the 21st century, workers need to be lifelong learners, adapting continuously to changed opportunities and labour market demands of the knowledge economy. Lifelong learning (LLL), therefore, is not a luxury for any country. Education systems in all countries will have to evolve in that direction. The objectives of World Bank supports a program on lifelong learning and post-basic education which includes not only exploring ways of increasing the quality and coverage of secondary and tertiary education, but also improving the policy framework to encourage a diversity of institutions, programs, and procedures that permit all people to access education--whether to upgrade their skills for the world of work or simply to satisfy a wish to learn. As a knowledge institution, the Bank looks for ways to better share knowledge with its clients and partners, and to increase the ability of client countries to access and use knowledge (<http://www1.worldbank.org/education/tertiary/lifelong>, 2003).

Furthermore, within organisations the same principle holds true: learning, and the development of knowledge on which economic and social well-being greatly depend, should be followed through a genuine partnership process. This process is essential particularly because of the unique strategic value of inferred knowledge - that is to say, of knowledge that is embedded deeply in the individual or collective subconscious, expressing itself in habitual or intuitive ways of doing things that are exercised without conscious thought or effort (Nonaka, 1991). Imbedded knowledge is the property of individuals and cannot be snatched from them. The learning that produces it must therefore rest upon recognition of mutuality of interest and of responsibility between organisation and individuals.

3.1. The need to develop social as well as human capital.

The efficiency of human capital serves the development of society and also serves the transformation of other areas. For this, first of all, the impact of human capital on the national approach is evaluated (Kuzminov, 2019). It is recognized as a national asset for society (Tien et al., 2020). Accordingly, as the President of the Republic of Uzbekistan noted, "The developed countries of the world are setting themselves the task of not only producing products, but also transitioning to an innovative economy based on deep knowledge and scientific achievements. That is, the development of one's economy by the creation of innovative products, integration and introduction of advanced technologies into production is becoming the main factor of development. This means that the influence of the wealth in the form of capital on the owners of national potential, which is considered an integral part of the national wealth for the society and the state, is great (Reyes & Useche, 2019). The developed nation's agenda for lifelong learning is supported by concepts of human and social capital:

- i. **Human capital:** As many scholars indicated, the knowledge, skills, and competencies an attributes embodied in individuals that facilitate the creation of personal, social and economic well-being. Human capital is developed in the contexts of family, early childcare setting, formal education and adult education, daily living and civic participation, as well as in formal training and informal learning at work and through activities such as research and innovation or participation in various professional networks.
- ii. **Social capital:** networks together with shared norms, values and understandings that facilitate co-operation within or among groups' Trust may be viewed as both a source and an outcome of social capital as well as being a close alternative for many of the norms, understandings and values that underpin social co-operation.

We argue that in organisations where the disguised dimension of knowledge and its social construction form a vital source of competitive advantage the

HRD investment should be focused strongly on the building of social capital, which is to do with the interactions of all workers in an organisation. Not only specialist knowledge workers but also personnel such as service worker, data workers and goods-producing workers all belong to the networks of a knowledge activity system that enables continuous adaptation to a dynamic environment through improvement and innovation in work processes, products and services.

3.2. The need to recognise organisational context as the major factor of firms' HRD investment

Organisations' investment in HRD is undoubtedly influenced by a webbing of external forces that include macro-level policies in the HRD field and country's overall HRM systems. However, this influence varies greatly from one country to the next, and indeed from one sector and organisation to the next (Sparrow and Hiltrop, 1994; Ashton et al. 2001). Research repeatedly shows that HRD Inhibiting innovation and preventing progress (Bettis and Hitt, 1995).

It must enable the creation of dynamic capabilities that rely on the economies of expertise, gained by leveraging intellectual capital and knowledge flows in a network of internal and external relationships (Venkatraman and Subramaniam, 2002; Eisenhardt and Santos, 2002). Behind the search in the literature for new organizing principles lie three complementary viewpoints of the organisation:

- i. as a reservoir of knowledgeable Human forces (Hedlund, 1994; Kogut and Zander, 1996; Whittington, 2002)
- ii. As a places of network of relationships (Quinn, 1992; Miles and Snow, 1995; Baum, Calabrese and Silverman, 2000; Venkatraman and Subramaniam, 2002).
- iii. Innovatory organisational designs are characterised by new management and organizing logics founded on principles of self-organising and trust in bottom-up processes (Elfring and Volberda, 2001:282).

However, research reveals that: All knowledge-creating enterprises face similar design questions (Whittington and Mayer, 2002). These are to do with the kinds of structure, routines and processes that can facilitate knowledge construction, transfer and integration, with how to ensure a productive interplay between explicit and tacit knowledge within and between organisations, and with how to organise for both routine and innovative activity in the organisation there are no prescriptions for organising in an increasingly knowledge-based economy. Each firm must find its own structural response to the internal and external knowledge-creation issues that it confronts, and must ensure in so doing an effective interplay of organising and strategizing processes (Venkatraman and Subramanian, 2002).

The primary resources for the organising process are hard-to-copy technologies, organisational routines, such as budgeting, research and HR development arrangements, patterns for organising work and control and planning routines. Furthermore, culture and socialisation processes, and relational competencies that allow the organisation to combine its unique resource with those of other firms, particularly those belonging to its value chain (Pennings, 2001: 241). The path-dependent nature of knowledge creation raises a need to understand the historical roots of these resources. Levels and types of knowledge that already exist in the firm, its past record of innovation, of innovatory design capability and of leadership and management, its past HR policies and their outcomes - all these contextual factors constrain or facilitate current strategic and structural options. The new tasks for HRD professionals in a knowledge economy involve an ongoing connection of HRD strategy and practices to the wider strategizing process at all organisational levels. Knowledge is understood both a relational process and a type of individual attribute or quality. That quality is to do with individual cognition as well as with the ability to learn in communities of practices. It involves a personal 'skilfulness' and sensitivity that is inextricably linked with the individual concerned (Huysman, and De Wit, 2002).

Some of the Challenges to promote high quality workplace learning processes that will enhance the value of social as well as of human capital in Workplace learning has a long history, but what is new is the extent to which it is becoming recognised as a crucial source of competitive advantage that can produce the higher levels of innovation and customisation needed as customers become more discriminating and as competition becomes increasingly globalised (Stevens, 2001). HRD

professionals should place particular emphasis on technical competence and intimacy to the customers.

The other important issues are the ability to work with others within and increasingly across organisations to increase the variety of their firm's dynamic capabilities by identifying and supporting new ideas rather than just exploiting existing routines. This involves double loop learning skills and political ability to successfully challenge current operating assumptions and the motivation and ability to develop in the workplace a learning culture that will stimulate and support teams and individuals in providing the knowledge needed to achieve continuous improvement and radical innovation in goods, products, services and processes.

3. CONCLUSION

Obviously, in the 21st century, workers need to be lifelong learners, adapting continuously to changed opportunities and labour market demands. But today, in non-Western societies, two opposing movements are emerging. On the one hand, English is being taught in higher education in an effort to increase competitiveness for customers and capital. On the other hand, under social and political pressures, the widespread use of local languages is on the rise. For example, "Arabic is replacing French in North Africa, while Urdu is displacing English in Pakistan's government and education.

In *Ethiopia*, organisations like FCIDF, In order to address such diverse quality HRD issues, and knowledge economy function, operating in those valuable stated above elements, it is vital to develop social capital as well as individual human competence. HRD professionals need to acquire a deep understanding of internal organisational context as well as of the internal and external business environment, and work in business partnerships within their organisations embraced all its stakeholders or partners at local and national levels. The influence of human capital on the development of society depends on the result of the integration of several factors. In particular, for many years, the colonial policy has been showing its effects. For example, the rapid development of the English language is a clear example of this and others.

Though a huge economic contribution as in that of developed economies like USA is not expected Hippe (2003), due to partly data management and partly institutional capacities , there is however a growing and consistent evidence that both the health and education components of human capital are contributing to the economy. Organisations like FCIDF, In order to address such diverse quality HRD issues, and knowledge economy development, operating in a knowledge economy, it is vital to develop social capital as well as individual human competence. HRD professionals need to acquire a deep understanding of internal organisational context as well as of the internal and external business environment, and work in business partnerships within their organisations related to all its stakeholders or partners at local and national levels. Furthermore, I conclude by recapping two benefits:

- The capability of knowledge economy to generate HRD to continuous improvement and radical innovation in work processes, products and services is critical to organisational progress.

- In such knowledge economy, the HRD process should focus on the expansion of learning capacity that can help to regenerate the organisation's knowledge base and ensure continuing knowledge productivity. When an organisation is understood as an evolving system of knowledge production and application, HRD professionals have the opportunity to become strategic players.

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